

# UTAH

## 1997 Utah Tax Return For Homeowners Associations Having Taxable Income Under IRC 528



## Form TC-20HA

### What's New?

#### Extension of Time To File

This is an extension of time to file your tax return - NOT an extension of time to pay your taxes. You are automatically allowed an extension of up to six months to file your return. However, if the prepayment requirements have not been met on or before the original due date, penalties will be assessed.

*If you need an accommodation under the Americans with Disabilities Act, contact the Tax Commission at (801) 297-3811 or Telecommunications Device for the Deaf (TDD) (801) 297-3819. Please allow three working days for a response.*

**Tax Questions?** You may submit tax questions to the Tax Commission through the World Wide Web.  
The Tax Commission's Internet Home Page address is: <http://www.tax.ex.state.ut.us>

# GENERAL INSTRUCTIONS AND INFORMATION

## 1. Homeowners Association Identification Numbers

The Utah State Tax Commission will use the federal identification number (FIN) as the homeowners association's taxpayer identification with the state. The Utah charter number is a six-digit number issued upon incorporation or qualification to do business in Utah and should also be included. If these numbers (FIN and Utah charter) are not preprinted on the mailing label, fill in the appropriate areas to allow for proper identification of the tax return or any correspondence.

## 2. Rounding Off to Whole-Dollar Amounts

All entries must be made in whole-dollar amounts.

## 3. Liability for Filing and Paying Returns

**a. Tax Forms** - The Utah State Tax Commission supplies returns for filing of taxes to homeowners associations properly registered with the state. If an original return is not mailed to the homeowners association, contact our offices at (801) 297-6700 to request forms. NOTE: Please review General Instruction 10 to identify what federal information is required with the Utah filing.

**b. Franchise Tax** - A homeowners association incorporated in Utah (domestic), qualified in Utah (foreign), or doing business in Utah whether qualified or not must file a homeowners association tax return, form TC-20HA, when it has taxable income for federal purposes.

**c. Taxable Year** - The taxable year for Utah income tax purposes should match the taxable year used for federal income tax purposes. When the taxable year changes for federal purposes the taxable year should be adjusted accordingly for Utah income tax purposes.

**d. Due Date** - Returns shall be filed on or before April 15th (for calendar year filers) or the 15th day of the fourth month following the close of the taxable year (for fiscal year filers), unless the homeowners association having taxable income has a valid federal extension, in which case the homeowners association qualifies for a six-month extension of time to file its tax return if it makes the necessary tax prepayment by the due date of the return.

## 4. Filing Extension

This is an extension of time to file your tax return - NOT an extension of time to pay your taxes. You are automatically allowed an extension of up to six months to file your return. ***However, if the extension prepayment requirements have not been met on or before the original due date, penalties will be assessed.***

## 5. Prepayment Requirements

Every homeowners association having a Utah tax liability of \$3,000 or more in the current year, or which had a tax liability of \$3,000 or more in the previous year, must make quarterly estimated tax prepayments.

A homeowners association is not subject to the prepayment requirements for the first year that homeowners association is required to file a return in Utah.

Prepayments are due in four equal payments on the 15th day of the 4th, 6th, 9th and 12th months of the homeowners association's taxable year. Homeowners associations may elect to make the quarterly prepayments equal to 90 percent of the current year's tax or 100 percent of the prior year's tax. As defined in Section 6655, Internal Revenue Code, the applicable percentage of the required annual payment for annualized income installments, for adjusted seasonal installments, and for estimated tax payments based on the current year tax liability is the following:

Installment	Percentage
1st	22.5
2nd	45.0
3rd	67.5
4th	90.0

If a taxpayer elects a different annualization period than the period used for federal purposes, the taxpayer must make an election with the Tax Commission at the same time as provided in Section 6655, Internal Revenue Code. Prepayments should be made with form TC-559, Corporation Tax Payment Coupon Booklet.

Homeowners associations not making the required tax prepayments are subject to a penalty as stated in General Instruction 6, page 1.

## 6. Penalties

The penalty for failure to file a tax due return by the due date is the greater of \$20 or 10 percent of the unpaid tax. In addition, if a tax balance remains unpaid 90 days after the due date, a second penalty, the greater of \$20 or 10 percent of the tax balance, will be added for failure to timely pay.

The penalty for failure to pay tax due as reported on a timely filed return, or within 30 days of a notice of deficiency, is the greater of \$20 or 10 percent of the tax due.

The penalty for underpayment of an extension prepayment is 2 percent per month of the unpaid tax during the extension period. The penalty for failure to file an information return or a complete supporting schedule is \$50 for each return or schedule up to a maximum of \$1,000.

The penalty for each underpayment of required estimated tax or required quarterly installments shall be determined by applying the state interest rate(s) in effect for the period of the underpayment, plus four percentage points, to the amount of the underpayment for the period of the underpayment.

For a list of additional penalties that may be imposed, please refer to Utah Code Ann. Section 59-1-401.

### Exceptions to Penalty

1. Annualized Exception: A homeowners association may annualize its income before determining the amount of each installment. It is recommended that federal guidelines be followed in determining annualized income. If the homeowners association meets the annualized exception at the federal level, for any installment, indicate by checking the appropriate box(es) on form TC-20HA, line 10.

2. Recurring Seasonal Exception: A homeowners association with recurring seasonal income may annualize its income before determining the amount of each installment. It is recommended that federal guidelines be followed in determining seasonal income. If the homeowners association meets the seasonal exception at the federal level, for any installment, indicate by checking the appropriate box(es) on form TC-20HA, line 10.

The Tax Commission will calculate the penalty for underpayment of required prepayments. Taxpayers who would like to calculate their own penalty may contact the Tax Commission at (801) 297-7790 for assistance.

## 7. Interest

The calendar year interest rate applicable for all taxes and fees administered by the Tax Commission is two percentage points above the federal short-term rate in effect for the preceding fourth calendar quarter. This rate is published by the Internal Revenue Service in September of each year.

The interest rate for all taxes and fees administered by the Tax Commission for the 1998 calendar year is 8 percent.

## 8. Homeowners Association Changes

Homeowners association changes (e.g., name change, merger, or ceasing to do business in Utah) must be reported to the Division of Corporations, Department of Commerce, 160 East 300 South, Salt Lake City, Utah 84145 and the Tax Commission, Attention: Master File Maintenance, 210 North 1950 West, Salt Lake City, Utah 84134.

## 9. Suspension for Failure to File or Pay Tax Due

Utah law provides for suspension of the homeowners association's right to do business in Utah if the homeowners association fails to file and/or pay taxes due before 5 p.m. on the last day of the eleventh month after the due date.

## 10. Supporting Federal Information

Form 1120-H, as filed with the IRS, should be included with the filing of the Utah return (Form TC-20HA). Other detail schedules should NOT be included with the initial Utah filing. These detail schedules may be requested at a later date by the Auditing Division of the Tax Commission.

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## INSTRUCTIONS FOR RETURN

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### Homeowners Association Name and Address Area

Enter the homeowners association name and address in the space provided. Check the box if there has been a change in the Homeowners Association name or address since last year's filing. Make any corrections necessary to the name and address on the name and address lines provided.

### Telephone Number

Enter the telephone number for the homeowners association.

### Federal Identification Number and Utah Charter Number

Enter the FIN and Utah charter number in the appropriate fields.

### Amended Returns for 1997

AN AMENDED STATE RETURN FOR 1997 SHOULD BE FILED PROMPTLY ONCE YOU DISCOVER:

1. an error on your state or federal return after it has been filed; or,
2. your federal return is audited or adjusted by the IRS and the IRS audit or adjustment affects your state return. You must report such changes or corrected net income within 90 days of the IRS's final determination.

If you need to amend a return for a tax year other than 1997, please use the tax form and instructions for the year you are amending.

Do not submit an amended return for the purpose of claiming a loss carryback refund. This is automatically calculated by the Tax Commission. Any refund will be mailed to the corporation.

To qualify for a refund or credit, an amended return must be filed within three years following the date the original return was filed. A return filed before the due date is considered filed on the due date.

To amend a previously filed 1997 state income tax return:

1. check the amended box located at the top of the return; and
2. indicate the reason for amending, by writing the number in the box provided on the return.

### THE REASONS FOR AMENDING:

1. you filed an amended return with the Internal Revenue Service (*you must attach a copy of your amended federal return*);
2. you made an error on your state return (*attach an explanation of the adjustments made*);
3. federal audit adjustments which resulted in changes in federal taxable income were issued and became final (*attach a copy of the IRS adjustment*);
4. other (*please attach explanation to return*).

Complete the return entering the figures as corrected.

When filing an amended return, enter the amount of tax paid with the original return and/or subsequent payments of the tax prior to filing this amended return less any previous refunds (exclude refund interest). See TC-20, Schedule A, line 21d instructions on page 8.

**REMEMBER**, except for the amounts you amend, the amounts you place on the return must match your original return.

### Line 1 Taxable Income for Federal Purposes

Enter the taxable income as taken from federal form 1120-H, line 19.

### Line 2 Tax

Line 1 multiplied by (.05).

### Line 3 Penalties and Interest

Enter any applicable penalty and interest amounts on the appropriate lines. Enter the total amount on this line (see General Instructions 6 and 7).

### Line 4 Total Tax and Penalties Due

Add lines 2 and 3.

### Line 5 Total Prepayments

A refundable credit is allowed for advance payments made as quarterly prepayments and extension payments. Also include any overpayments from the prior year applied to this year.

### Line 6 Total Remitted

If line 4 is larger than line 5, subtract line 5 from line 4. Make check or money order payable to the Utah State Tax Commission. **DO NOT MAIL CASH. THE TAX COMMISSION ASSUMES NO LIABILITY FOR LOSS OF CASH PLACED IN MAIL.** Attach a schedule for any nonrefundable credits claimed.

**Line 7 Total Overpayment**

If line 5 is larger than line 4, subtract line 4 from line 5. This is the amount of overpayment.

**Line 8 Overpayment To Be Applied To Next Taxable Year**

As a convenience to refund filers, all or part of a refund may be applied as an advance payment for next tax year. Enter the amount to be applied (must be less than or equal to the refund amount).

**Line 9 Total Refund**

Line 7 less line 8.

**Line 10 Installments That Qualify for Exceptions**

Check boxes corresponding to the four quarterly prepayments for those quarters in which exceptions to penalty exist. Refer to General Instruction 6, page 1, for exceptions to penalty on estimated prepayments. Attach supporting documentation.

**Signature and date lines are required for declaration of the return's accuracy. Refunds will not be granted on returns without signatures and date.**

Utah State Tax Commission  
**Utah Tax Return for Homeowners  
Associations Having Taxable Income  
Under IRC 528**

**1997**  
**TC-20HA**  
Rev. 12/97

This return is for the calendar year ending Dec. 31, 1997, or fiscal year beginning \_\_\_\_\_, 19 \_\_\_\_ and ending \_\_\_\_\_, 19 \_\_\_\_.

☐ Check box if name or address changed.

• ☐ **AMENDED RETURN** See page 2 for **"THE REASONS FOR AMENDING"** and enter the number in this box • ☐

Corporation name			Federal Identification Number
Address			Utah Charter Number
			Telephone Number (     )
City	State	ZIP Code	

**Note: Attach a copy of federal form 1120-H to this return.**

1. Taxable income from federal form 1120-H, line 19 .....	1	\$	00
2. Tax: (multiply line 1 by .05) .....	2		00
3. Total the penalties and interest listed below and enter on this line .....	3		00

Extension penalty \$ \_\_\_\_\_ Late filing penalty \$ \_\_\_\_\_  
Late payment penalty \$ \_\_\_\_\_ Interest \$ \_\_\_\_\_

4. Total tax, penalty, and interest due (add lines 2 and 3) .....	4		00
5. Total prepayments (attach schedule) .....	5		00
6. Total remitted (if line 4 is larger than line 5, subtract line 5 from line 4) .....	6	\$	00

**Make check payable to: UTAH STATE TAX COMMISSION**

7. Total overpayment ( if line 5 is larger than line 4, subtract line 4 from line 5) .....	7	\$	00
8. Amount of overpayment to be applied as advance payment to next tax year .....	8	\$	00
9. Total refund (line 7 less line 8) .....	9	\$	00

10. Check box(es) corresponding with installments that qualify for exceptions (see General Instruction 6, page 1) Attach supporting documentation. 1 ☐ 2 ☐ 3 ☐ 4 ☐

Official Use Only

**Under penalties of perjury, I declare that to the best of my knowledge and belief, this return and accompanying schedules are true, correct, and complete.**

Signature of officer \_\_\_\_\_ Date \_\_\_\_\_ Title \_\_\_\_\_

<b>Paid Preparer's Section</b>	Preparer's signature	Date signed	Check if self-employed <input type="checkbox"/>	Preparer's social security no.
	Firm's name (or yours if self-employed)			E.I. number
	Preparer's complete address	City	State	ZIP code